DOCUMENT RESUME

ED 367 778 CE 065 650

TITLE	Workplace Literacy in Illinois. A Private Sector Report.
INSTITUTION	Illinois Literacy Council, Springfield.
PUB DATE	93
NOTE	46p.; Prepared by the "Promoting Literacy in the Workplace" Committee.
PUB TYPE	Reports - Research/Technical (143)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	*Adult Basic Education; Adult Literacy; Basic Skills; Employer Attitudes; Employer Employee Relationship; Labor Force Development; *Literacy Education; *Private Sector; State Surveys; Statewide Planning
IDENTIFIERS	*Illinois; *Workplace Literacy

ABSTRACT

A workplace literacy survey was developed and distributed to 4,104 private-sector businesses throughout Illinois to gain a complete and statistically reliable profile of workforce literacy programs. Employers returned 1,340 usable responses. Findings indicated that 53 percent of Illinois firms reported a need to upgrade employees basic skills, yet only 24 percent of the firms provided such training. Companies provided basic skills training for employees primarily because they were aware their work force was unable to meet new and changing job requirements. Basic skills training in private sector firms was largely company financed; 18 percent received public funds to supplement private training dollars. Companies frequently used a combination of educational providers to organize and instruct their workplace literacy programs. Approximately 70 percent of companies with workplace literacy programs reported that half or more of the employee participants improved their abilities to efficiently and competently perform required job tasks. Employers judged workplace literacy programs that provided instruction in reading, writing, math, and communication for native English speakers more effective than programs that provided instruction in English as a Second Language. Recommendations were made for employers, other stakeholders, the Illinois Literacy Council, and Secretary of State Literacy Office. (Appendixes include information on methodology and Secretary of State Workplace Literacy Resources.) (YLB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 367 778

Workplace Literacy

In Illinois

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

A Bellotine

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

CE 065 650

BEST COPY AVAILABLE

George H. Ryan • Secretary of State
Chairman, Illinois Literacy Council

Workplace Literacy In Illinois

A Private Sector Report

By the
"Promoting Literacy in the Workplace" Committee
of the
Illinois Literacy Council

Secretary of State George H. Ryan
Chairman, Illinois Literacy Council

Fall 1993

BEST COPY AVAILABLE

A MESSAGE FROM THE SECRETARY

With this report, Illinois becomes the first state to provide comprehensive information unique to the state on workplace literacy needs and programs. Included is information about how Illinois basic skills programs are structured, how they are financed, how well they are working, and why they are needed.

This survey report was made possible due to the committed effort of the "Promoting Literacy in the Workplace" committee of the Illinois Literacy Council, a strong partnership between the Illinois Department of Employment Security and my office, and the cooperative response to the survey by 1,340 private-sector employers.

The survey results present us with several challenges.

First, less than a quarter of Illinois firms provide workplace literacy programs, yet more than half report the need to upgrade employees' job-related basic skills. This tells us we need to expand the scope of workplace literacy programming in Illinois to meet the training needs employers have identified.

Second, while most workplace literacy programs result in participants' improved job performance, there is still room for improvement. Clearly, we must continue to work toward upgrading the quality and effectiveness of workplace literacy programs statewide.

Third, current workplace literacy programs are largely company-financed with public funds supplementing private dollars in 18 percent of the programs. We need to further examine and define financing responsibilities and appropriate financing mechanisms for workplace literacy programs.

As State Librarian and Chairman of the Illinois Literacy Council, I look forward to working in partnership with the business community and all interested parties to meet these challenges. The report includes recommendations that can serve as the new statewide workplace literacy agenda. I invite you to join me in advancing this agenda which will lead toward development of a world-class workforce in Illinois.

George H Ryan

GEORGE H. RYAN
Secretary of State and
State Librarian

Workplace Literacy refers to the basic reading, writing, math, and oral communication skills needed to efficiently and competently perform required job tasks. Workplace literacy is also referred to as *Basic Skills Training.*

BEST COPY AVAILABLE

TABLE OF CONTENTS

Introduction 7

Findings and Recommendations 11

Background 17

The Report 21

Defining Training Needs
Implementation of Workplace Literacy Programs
Funding Training
Workplace Educational Providers
Practices of Effective Programs
Program Content

Appendices 37

Methodology
References
"Promoting Literacy in the Workplace" Committee
Secretary of State Workplace Literacy Resources
Acknowledgments

Illustrations

Figure 1: Training Currently Provided
Figure 2: Basic Skills Training Needed
Figure 3: Why Employees Need Training
Figure 4: Why Companies Commit to Training
Figure 5: Funding Sources for Training
Figure 6: Utilization of Public Funds
Figure 7: Workplace Educational Providers
Figure 8: Indicators of Program Effectiveness
Figure 9: Instructional Content
Figure 10: Distribution of Firms by Industry Sector
Figure 11: Distribution of Employment by Industry Sector

"Employers and other stakeholders are encouraged to join with the Illinois Literacy Council and the Secretary of State Literacy Office in adopting and advancing the committee recommendations as the workplace literacy agenda for Illinois."

BEST COPY AVAILABLE

INTRODUCTION

The Illinois Literacy Council:

The Illinois Literacy Council, chaired by Secretary of State George H. Ryan, is a statewide coalition of business, labor, education, government and media representatives. Council members promote adult literacy, share expertise and shape policy at state and local levels.

When the Council convened under the leadership of Secretary Ryan in October, 1991, the Secretary challenged the Council to help him increase awareness and participation of Illinois business and labor in workplace literacy activities. Robert Beckwith, Director of Education Policy for the Illinois State Chamber of Commerce, and Richard Walsh, President of the Illinois State AFL-CIO, were tapped to lead this effort as co-chairs of the Promoting Literacy in the Workplace committee of the Council. Since that time, Jeffrey Mays, Vice President of Human Resource Policy for the Illinois State Chamber of Commerce, and Donald Johnson, new President of the Illinois State AFL-CIO, have assumed leadership of the committee. Other committee members are listed on page 42.

The Workplace Literacy Committee Review:

At its October 1991 meeting, the committee reviewed the status of workplace literacy efforts in Illinois, including programs funded under the Secretary of State workplace literacy grant program. This program was implemented in fiscal year 1990 with matching grants up to $10,000 awarded to Illinois businesses to work in partnership with workplace educational providers. The purpose of the program is to upgrade the basic skills of current Illinois workers through onsite basic skills training programs. Sixteen businesses were awarded grant funds in fiscal year 1990, 19 in 1991, and 32 in 1992.

All Secretary of State funded workplace literacy programs filed performance reports and cited the positive results they had witnessed. However, this small sample of Illinois businesses involved in basic skills training did not provide the committee a view of workplace literacy programs broad enough to generalize to the entire population of Illinois employers. Were these firms in the training mainstream or were they a unique and uncharacteristic group with unusual training needs?

The committee also reviewed a variety of workplace education and training programs in Illinois, including those funded or administered by the Prairie State 2000 Authority, the Illinois Department of Commerce and Community Affairs, the Illinois State Board of Education and the Illinois Community College Board. After this review, the committee concluded that in order to guide the workplace literacy agenda in Illinois, it needed additional information from private-sector employers to gain a complete and statistically reliable profile of workplace literacy programs statewide.

Survey Development:

To address this need for further information, the committee developed a workplace literacy survey and distributed it to a broad spectrum of private-sector employers throughout the state. Staff from the Illinois Department of Employment Security (IDES) and the Secretary of State Literacy Office worked together, with ongoing input and guidance from committee members, to develop and conduct the survey, and to analyze the data.

The committee designed the Private Sector Workplace Literacy Survey to provide answers to the following questions:

1. **DEFINING TRAINING NEEDS:**
   - — To what extent are Illinois employers committed to training their current workforce?
   - — What position does basic skills training hold relative to other types of training?
   - — What is the need for basic skills training and is that need being met?
2. **IMPLEMENTATION OF WORKPLACE LITERACY PROGRAMS:**
   - — Among companies that provide workplace literacy programs, what factors motivated them to implement the training?
3. **FUNDING TRAINING:**
   - — How is basic skills training funded by the companies that currently provide it?
4. **WORKPLACE EDUCATIONAL PROVIDERS:**
   - — Who teaches basic skills to company employees in workplace literacy programs?
   - — Are some educational providers more effective than others?

5. **PRACTICES OF EFFECTIVE PROGRAMS:**
   - — Generally, how effective are workplace literacy programs?
   - — Do most participants improve their abilities to efficiently and competently perform required job tasks?
   - — Do the most effective programs share common features?
6. **PROGRAM CONTENT:**
   - — What is being taught in workplace literacy programs in Illinois?
   - — Are there differences in program organization based on instructional content?
   - — Do different content areas produce different results?

Survey Responses:

The survey was sent to 4,104 private-sector businesses throughout Illinois. Employers returned 1,340 useable responses for a 33 percent response rate, representing 558,500 Illinois employees.* This broad response across major industry sectors provided the committee with the comprehensive data needed to define workplace literacy programs and issues in Illinois.

Survey Uses:

Employers can utilize the survey report to compare their training needs and activities with other Illinois employers. Companies without workplace literacy programs may learn how to design successful programs by examining other companies' programs and incorporating effective features. Companies that already have workplace literacy programs may find ways to improve their training.

Employers and other stakeholders — educators, labor organizations, business and training associations, and state government agencies — are encouraged to join with the Illinois Literacy Council and the Secretary of State Literacy Office in adopting and advancing the committee recommendations as the workplace literacy agenda for Illinois. This agenda will not only increase participation in workplace literacy programs, as called for by Secretary of State Ryan, but also improve the quality of these programs. Successful programs help ensure that Illinois firms and workers can meet the challenge of developing a competitive world-class workforce.

* See Methodology for a complete description of data collection.

"Fifty-three percent of Illinois firms report a need to upgrade employees' basic skills, yet only 24 percent of the firms currently provide such training."

BEST COPY AVAILABLE

FINDINGS AND RECOMMENDATIONS

1. DEFINING TRAINING NEEDS:

Finding: Fifty-three percent of Illinois firms report a need to upgrade employees' basic skills, yet only 24 percent of the firms currently provide such training. This disparity represents a significant gap between the need for workplace literacy programs and the provision of programs by Illinois businesses to meet the need.

The lack of basic skills training, despite need, runs counter to Illinois companies' general inclination toward employee training. Overall, Illinois private-sector firms have demonstrated an interest in and commitment to their employees' training needs. Approximately 60 percent provide some form of managerial and/or technical training. An equivalent percent provide training related to quality management, which may include team-building, Statistical Process Control (SPC), customer satisfaction, and other continuous quality improvement programs. However, these training options are often geared toward professional, managerial and supervisory personnel. Front-line workers and/or entry-level employees who need basic skills training frequently remain outside the training circle.

Recommendation: Illinois employers should broaden their training perspective to include all workers who need to improve their job-related skills, including basic skills training for employees whose basic skills are inadequate to meet changing workplace demands. Meeting the training needs of workers who have inadequate basic skills should be given the same consideration as meeting other general employee training needs and should result in the incorporation of basic skills training into companies' overall training policies. The Secretary of State Literacy Office should provide technical assistance to companies seeking to establish workplace literacy programs.

2. IMPLEMENTATION OF WORKPLACE LITERACY PROGRAMS:

Finding: Companies provide basic skills training for their employees primarily because they are aware that their workforce is unable to meet new and changing job requirements. The introduction of new technologies and the reorganization of work coupled

with global competition and increased customer demand are the motivating factors behind the decision to offer basic skills training.

Coping with change in the workplace is difficult for employees whose skills do not meet the new demands being placed upon them. High performance work organizations — those that emphasize new technology and the reorganization of work, including customization and greater responsibilities for front-line workers — require highly-skilled workers. Yet frequently companies find their workers unable to adapt to the new demands because their basic skill levels fall short of these demands.

Recommendation: Illinois companies that are working toward becoming high performance firms should commit to providing basic skills training for their employees with inadequate basic skill levels so that employees can successfully deal with workplace changes. The Secretary of State Literacy Office should promote the development of high performance firms in Illinois by assisting companies in developing highly-skilled workers.

3. FUNDING TRAINING:

Finding: Basic skills training in private sector firms is largely company-financed. Only 18 percent of the companies responding to the survey receive public funds to supplement private training dollars. Since implementing a basic skills program appears to be dependent upon the availability of company funds to finance most of the training, one impediment to firms providing basic skills programs is the inability of companies to underwrite the majority of the training expenses.

In addition to company funds, financial support of workplace literacy programs comes from a combination of sources including union funds, public funds, employee payment for some portion of the training and financial contributions by the educational provider. However, 98 percent of the companies with workplace literacy programs commit company funds to support the training.

Recommendation: The Illinois Literacy Council and Secretary of State Literacy Office should work in partnership with Illinois businesses, labor organizations, the education community, business and training associations, and other state agencies and organizations involved in workplace skills development to investigate the issue of financing employee basic skills training. The investigation should lead to financing recommendations that make basic skills training opportunities available for all current Illinois workers. In-

centives to encourage investment in worker education tied to the development of high performance work organizations should be explored.

4. WORKPLACE EDUCATIONAL PROVIDERS:

Finding: Companies frequently utilize a combination of educational providers to organize and instruct their workplace literacy programs. Some educational providers are more effective than others, but overall the quality of the workplace literacy educational provider network needs to be upgraded to ensure that basic skills training is comprehensive, flexible, customized and results-oriented.

Two-thirds of the companies surveyed use their own company personnel to provide basic skills instruction and one-half also turn to public educational providers such as community colleges, universities or local public school districts. Businesses utilizing company personnel as instructors report greater success in workplace literacy programs than those turning to public educational providers. Yet the newer programs show a sharp decline in the use of company inhouse personnel as instructors, underscoring the need for strong effective partnerships with outside workplace literacy educational providers. Companies that choose to contract with educational providers outside the company need to be assured that providers have the requisite skills to deliver effective training.

Recommendation: The Illinois Literacy Council and the Secretary of State Literacy Office, in cooperation with other segments of the education community, should develop a formal training program for workplace educational providers to increase their capacity to deliver effective workplace literacy programs. This training should be available to company training personnel as well as outside workplace literacy educational providers. Input from the business community should help define the training so that it meets company and employee training needs. The Council and the Secretary of State Literacy Office should also assist Illinois businesses seeking to create educational partnerships by providing a directory of trained workplace literacy educational providers.

5. PRACTICES OF EFFECTIVE PROGRAMS:

Finding: Approximately 70 percent of the companies with workplace literacy programs report that half or more of the employee participants improved their abilities to efficiently and competently perform required job tasks. While this success rate indicates

that basic skills training is generally effective, there is room to improve the quality of many company programs in order to fully develop employee potential.

By examining the characteristics shared by the most effective workplace literacy programs, it is possible to identify several common elements. The features that these highly-effective programs have in common are: program longevity (programs have been in place for more than three years); integration of computer based training and tutoring with classroom instruction; and mandatory participation, skills assessment and demonstration of defined competencies.

Recommendation: The Illinois Literacy Council and the Secretary of State Literacy Office should encourage Illinois employers that are interested in providing basic skills training programs to incorporate the elements identified as leading to effective programming. A publication featuring Illinois companies that exemplify model workplace literacy programs should be developed by the Secretary of State Literacy Office and distributed to Illinois firms involved in workplace literacy programs.

6. PROGRAM CONTENT:

Finding: Workplace literacy programs that provide instruction in reading, writing, math and communication for native English speakers are judged by employers to be more effective than programs that provide English as a second language (ESL) instruction. In addition, 42 percent of Chicagoland* firms and 12 percent of the companies outside Chicago report a need for ESL instruction. This reported lack of program effectiveness coupled with the need for ESL instruction, especially within Chicagoland companies, represents a particular training challenge for workplace literacy programs teaching English as a second language.

There are several key disparities between the organization and delivery of ESL instruction compared to reading, writing, math and communication for native English speakers. Public educational providers usually teach ESL, while company personnel are more apt to teach the other subjects. ESL is also the subject most often presented as a voluntary training option and is usually scheduled on personal unpaid time.

Recommendation: The Illinois Literacy Council and the Secretary of State Literacy Office should work cooperatively with work-

* Chicagoland firms are those in the six-county metropolitan area.

place educational providers and Illinois companies with non-native English speaking employees to carefully review all facets of workplace ESL basic skills training. Together they should define methods to improve the organization and delivery of workplace English as a second language instruction.

"The comprehensive information gathered and analyzed provides a unique statewide view of workplace literacy from the perspective of Illinois employers."

BEST COPY AVAILABLE

BACKGROUND

The National View:

The experiences of Illinois firms with workplace literacy programs are reflective of broader nationwide interests and trends. For at least seven years, national soothsayers have been calling attention to the changing demographics of the United States workforce and the implications for the workplace. *Workforce 2000,* the 1987 Hudson Institute report for the United States Department of Labor, was one of the first to sound the alarm, and to point out the demand for more highly-skilled workers.

Other useful studies and reports have followed, each of which has helped define the issues and shape opinions about the skills required of the American workforce if U.S. companies are to successfully compete in the everchanging environment of a global economy. Current negotiations around free trade agreements underscore the need for companies to evaluate the competitiveness of their products and their workers, and to re-examine the way work is organized.

Recent Studies and Reports:

America's Choice: High Skills or Low Wages! the report of the Commission on the Skills of the American Workforce, June 1990, warns that Americans may be choosing the low wage path to the future if changes are not made in our approach to work and education. One of the key recommendations of that report is to encourage employers to invest in the further education and training of their workers if the United States is to choose the high skills path that leads to high wage jobs and a competitive edge.

The Southport Institute for Policy Analysis study, *The Missing Link, Workplace Education in Small Business,* 1992, provides a valuable perspective on the particular needs of small and medium-sized businesses. Illinois was one of five participating states for this study, and William Dudek Manufacturing Company, a Secretary of State workplace literacy grant-funded company, is one of the featured companies in the accompanying Southport report *Ahead of the Curve.* Another report related to the Southport study, entitled *Learning that Works: Basic Skills Programs in Illinois Corporations,* by the Illinois Literacy Resource Development Center, will add valu-

able information about 22 companies in Illinois, 15 of which provide workplace literacy programs and seven which do not.

The recently released Council for Adult and Experiential Learning (CAEL) report entitled *Closing The Skills Gap: New Solutions* further examines training for front-line workers and barriers to employer investment in employee education and training. It sets forth several thought-provoking recommendations for public policy directions.

A report that focuses specifically on closing the skills gap between Chicago adults and the needs of Chicago businesses is *Workforce Literacy: A Chicago Initiative*, by the Chicago Council on Urban Affairs. This report suggests that a working group of business leaders develop initial steps for improving workplace literacy and basic skills training in Chicago.

Several national studies currently underway will also help define the issue of workplace literacy. The comprehensive National Adult Literacy Survey, conducted by the Educational Testing Service (ETS) will include a business and labor report. Since Illinois is one of twelve states that contracted with ETS for their own state survey, information about Illinois literacy levels and the Illinois workforce will be available. This information, based on household surveys, will provide yet another perspective on workforce literacy in Illinois. This view of individuals in the **workforce** is different from the view provided by employers on **workplace** literacy programs.

The Bureau of Labor Statistics has also launched a survey of employer-provided training programs, including basic skills training, that will be available in 1994. This employer perspective will add valuable information to the worker perspective on training provided in the Bureau of Labor Statistics bulletin *How Workers Get Their Training: A 1991 Update.* While these surveys are national in scope and do not necessarily break out state data, they add to the larger view of the worker training issue.

The Illinois Perspective:

All these studies and reports continue to inform us of the issues surrounding workplace literacy, the need for a highly-skilled productive American workforce and the competitive challenges facing employers and employees. They provide a solid foundation for understanding the worker skills training issue.

In order to build on this foundation and to define the specific workplace literacy needs and issues in Illinois, the Private Sector

Workplace Literacy Survey was developed and distributed to Illinois firms. The comprehensive information gathered and analyzed provides a unique statewide view of workplace literacy from the perspective of Illinois employers.

Illinois employers now have the opportunity to work toward workforce development based on identified statewide training needs. They can design workplace literacy programs that incorporate features other firms have found to be effective. Effective programs lead to improved employee job performance and an increased ability to deal successfully with the many changes occurring in the workplace.

Illinois private-sector firms can also work in cooperation with other interested parties to improve the overall quality and effectiveness of workplace literacy programs. Two areas requiring additional development are training for workplace literacy providers, and better design and delivery of English as a second language instruction.

The knowledge about workplace literacy programs gained through the survey makes it possible to forward a workplace literacy agenda that will benefit **Illinois firms and workers.**

"Close to 90 percent of the employers with workplace literacy programs report that their employees need basic skills training in order to meet new and changing job requirements."

BEST COPY AVAILABLE

THE REPORT

1. DEFINING TRAINING NEEDS

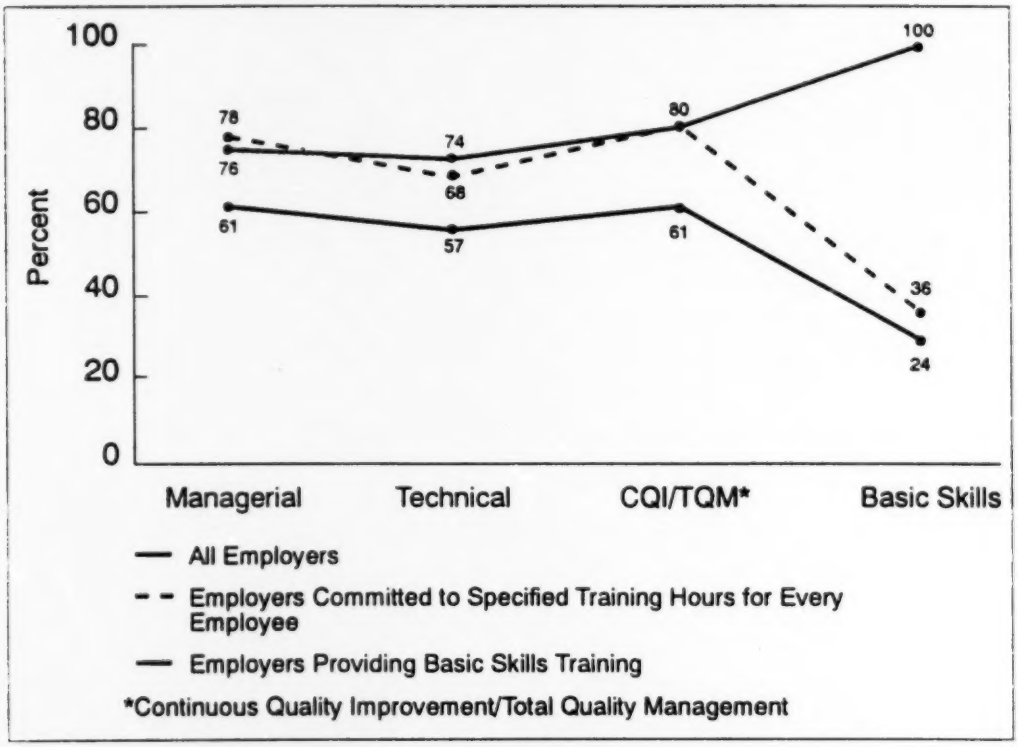
Employer Commitment to Training:

Illinois private-sector firms demonstrate a general commitment to employee training. Approximately 60 percent of the survey respondents report providing traditional training options — managerial and/or technical training — for their employees. An equivalent percent also are involved in providing training related to the improvement of quality. Quality training frequently includes such areas as team-building, process control and customer satisfaction and is geared toward the concept of continuous quality improvement throughout all aspects of a company's operation. Additionally, 24 percent of Illinois firms currently provide basic skills training for their employees. This lesser provision of basic skills training stands out in contrast to the larger offerings of managerial, technical and quality improvement training.

Another indication of Illinois employers' commitment to training is reflected in their activities in the past year. Approximately 60 percent either solicited training information, budgeted monies or assigned staff to training. A smaller group of employers, 19 percent, made the commitment to provide every employee a specific number of training hours each year. This smaller committed group of "training companies" offers more of every type of training option, including basic skills training, than the general population of employers. They provide basic skills training to more than a third of their employees compared to the overall rate of approximately one-fourth for all Illinois firms responding to the survey.

In addition to the companies that commit to specific training hours each year for every employee, companies that provide basic skills training also demonstrate a higher commitment to all other types of employee training than Illinois firms overall. A commitment to general types of training does not necessarily predict that an employer will offer basic skills training. Yet the reverse is true. **Those employers who report providing basic skills programs are more likely to engage in all other types of training and training activities.** (Figure 1)

Figure 1: Training Currently Provided



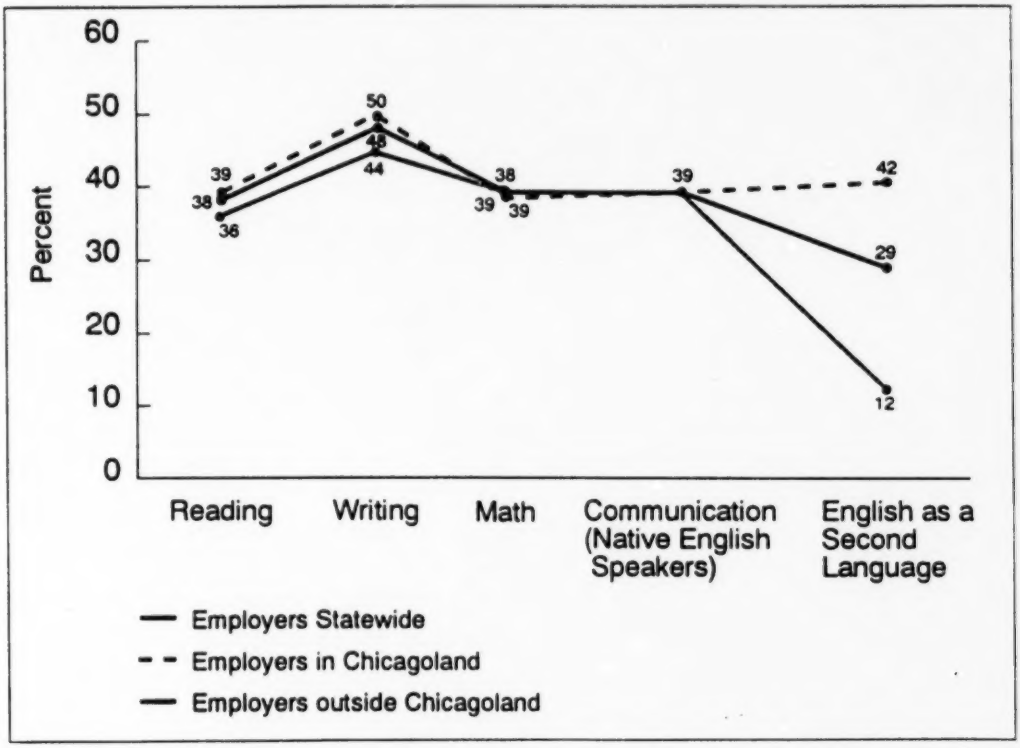
Employers that provide basic skills training or that commit to specific training hours for every employee are more likely than the overall population of employers to engage in other types of employee training.

The Need for Basic Skills Training:

While less than one-quarter of Illinois private-sector firms report that they provide basic skills training, a much greater portion report the need for such training. Fifty-three percent of the firms statewide indicate that at least some segment of their workforce needs to upgrade their basic skill levels in order to perform required job tasks. This disparity between the reported need for training and the actual provision of training signals that a significant basic skills training gap exists within many Illinois companies.

Nearly 50 percent of the respondents statewide report the need to upgrade employees' writing skills. The need for instruction in reading, math and communication for native English speakers is indicated by approximately 40 percent of Illinois firms. Nearly 30 percent of employers note the need to provide English as a second language (ESL) instruction for current employees. There is a major difference between the ESL training needs of Chicagoland firms, 42 percent, compared to firms in the rest of the state, only 12 percent. (Figure 2)

Figure 2: Basic Skills Training Needed



Illinois private-sector employers indicate a significant need for employee basic skills training.

In light of the need for basic skills training compared to the current provision of such training, Illinois employers should consider broadening their training perspectives to include all workers who need to improve their job-related skills. Managerial, technical and quality training, joined by basic skills training for employees with inadequate basic skill levels, would provide a broader spectrum of training to meet the needs of all employees.

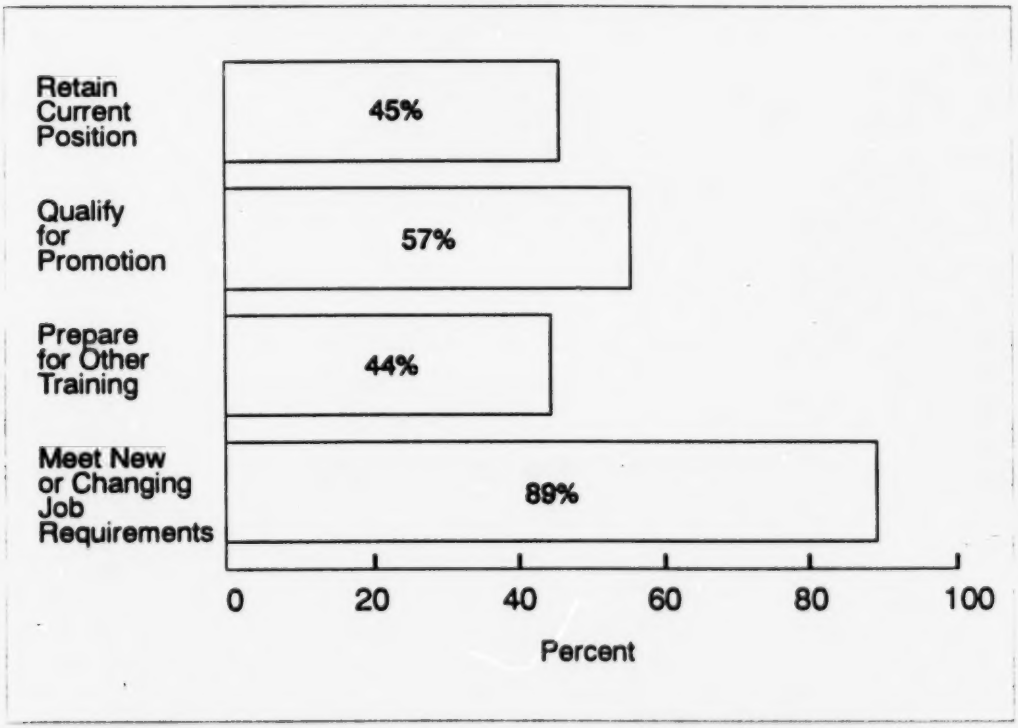
2. IMPLEMENTATION OF WORKPLACE LITERACY PROGRAMS

As mentioned, while more than one-half the Illinois firms responding to the survey recognize the need to upgrade employees' job-related basic skills, less than a quarter actually implement workplace literacy programs to address this need. In order to understand what motivates companies to proceed with training, it is useful to examine the reasons given by those companies that have programs. Two somewhat different perspectives are offered: (1) why employers think their employees need basic skills training, and

(2) why companies make the decision to offer the training. The responses to both questions clearly focus on the issue of changes in the workplace and the ability of employees and the company to deal successfully with these changes.

Close to 90 percent of the employers with workplace literacy programs report that their employees need basic skills training in order to meet new and changing job requirements. This overwhelming response to change in the workplace far outweighs other important training needs related to employees' retention of current positions, qualifying for promotion, or preparing for participation in other types of company training. (Figure 3)

Figure 3: Why Employees Need Training



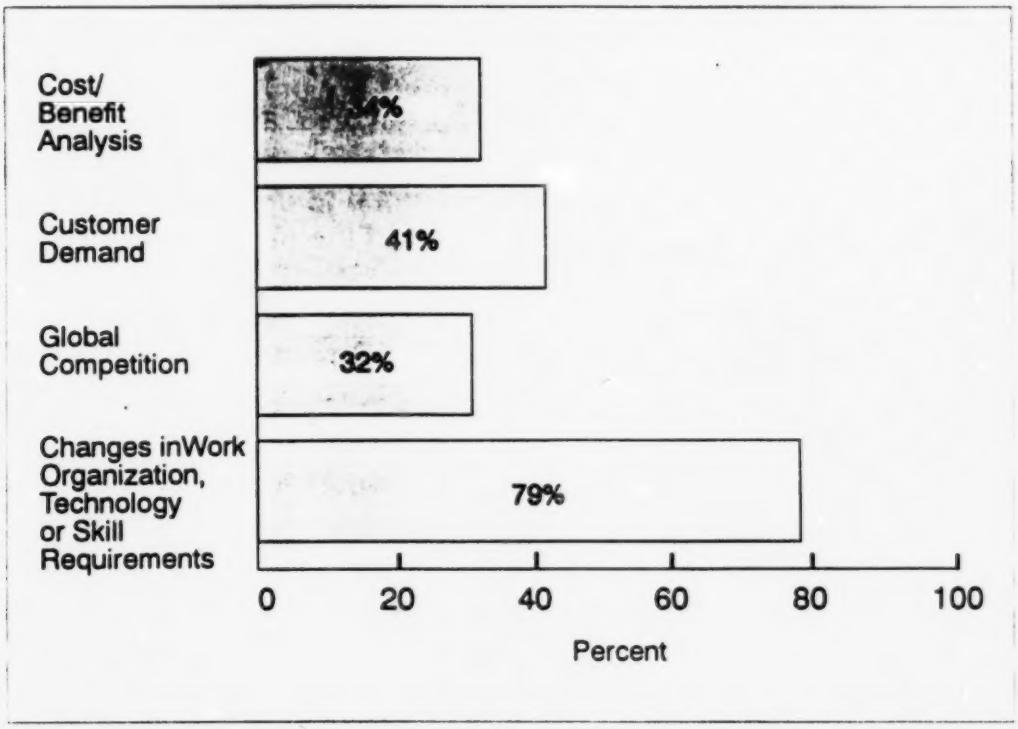
Employers with workplace literacy programs report that meeting new or changing job requirements is the major reason employees need training.

From the company's perspective, changes in technology and in the organization of work are the major factors that motivate them to implement workplace literacy programs. These companies, which are instituting changes related to becoming high performance firms, find that their workers' skill levels do not match the new demands made by the changing work environment. They implement workplace literacy programs in order to develop high performance workers who can succeed in high performance work organizations.

BEST COPY AVAILABLE

A second set of reasons for companies' implementation of programs centers on meeting customer demand and global competition. **Companies that train realize that it is not enough to recognize the need for sound basic skills; they conclude that training is a company investment that yields returns in a labor market and products that are more competitive in the current market environment.** (Figure 4)

Figure 4: Why Companies Commit to Training



Companies note that change in the workplace--in work organization, technology or skill requirements--is the key reason for implementing workplace literacy programs.

All Illinois companies that are working toward becoming high performance firms should examine the need to provide workplace literacy programs for their workers whose current basic skill levels make it difficult for them to deal with changes in the workplace. Competitive, high performance firms seeking to meet increasing customer demands need highly-skilled workers to succeed.

3. FUNDING TRAINING

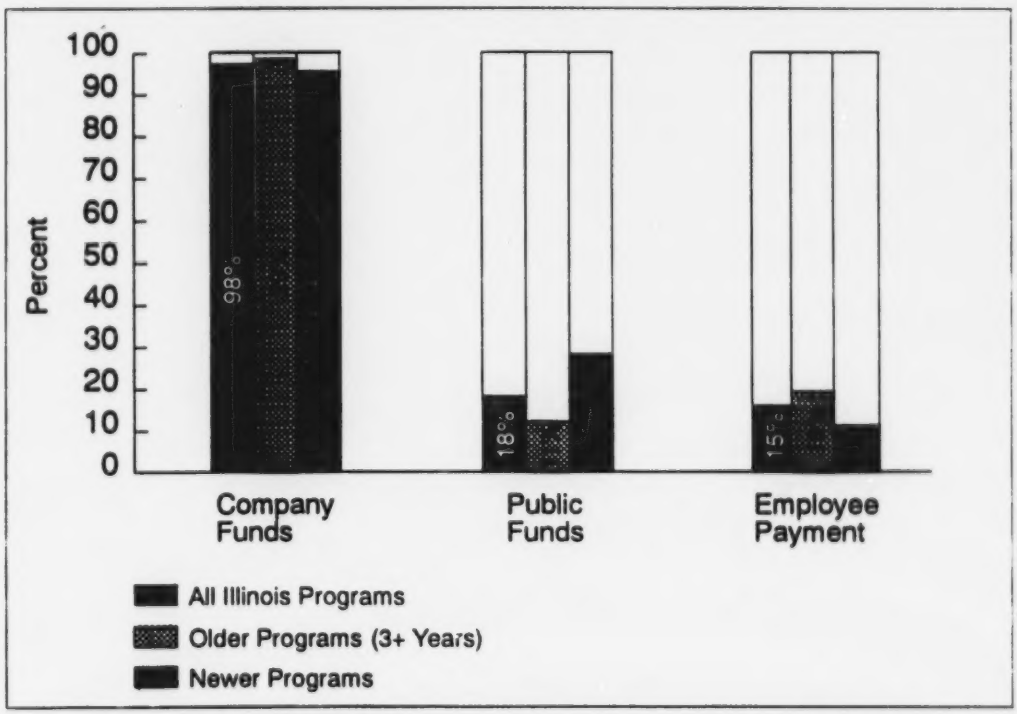
Workplace literacy programs in Illinois private-sector firms are largely company-financed. In addition to company funds, financial

BEST COPY AVAILABLE

support for basic skills training comes mainly from public funds and/or grants, and employee payment for some portion of the training. Union funds and financial contributions by educational institutions are lesser sources of financial support. However, all these additional sources appear to supplement company funds, not supplant them, since 98 percent of the companies underwrite some portion of the training costs.

Funding differences exist between newer workplace literacy programs (operating for three years or less) and older programs (operating more than three years). First, newer programs are less inclined to require employees to pay some portion of their training costs. Moreover, public funds and/or grants are utilized by 28 percent of the newer programs, nearly three times greater public support than noted in older programs. However, despite the recent infusion of public funds, companies continue to underwrite some portion of the training costs in 97 percent of the newer programs. (Figure 5)

Figure 5: Funding Sources for Training



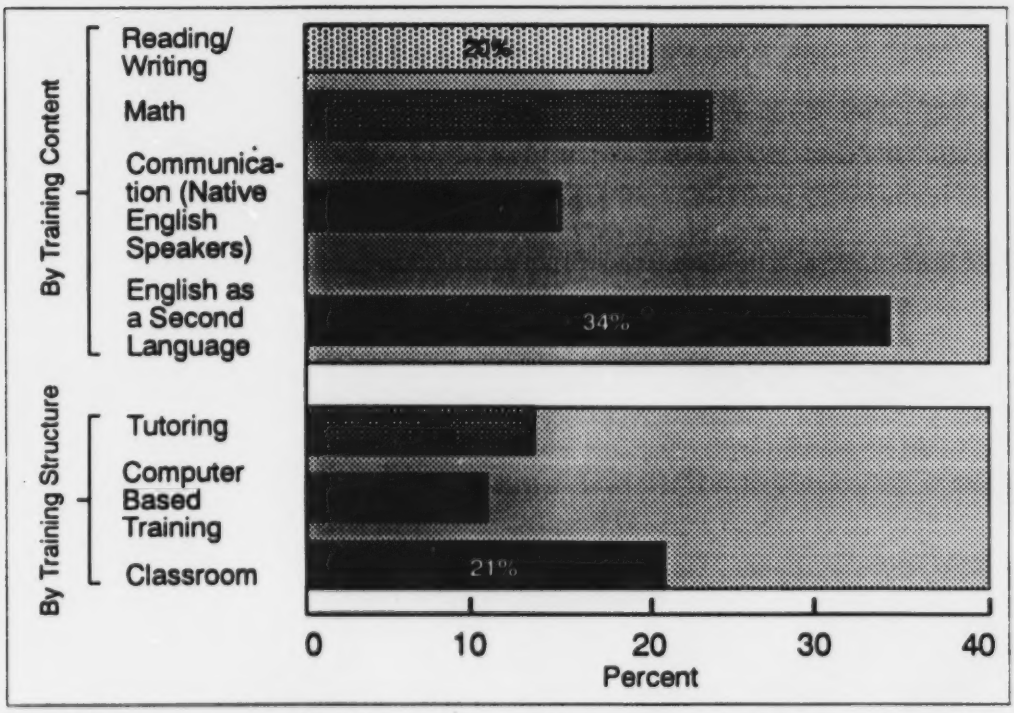
Company funds are the chief source of financial support for workplace literacy programs in both older and newer programs.

An examination of the utilization of public funds according to training content and structure shows that public funds are used to

BEST COPY AVAILABLE

support English as a second language programs at a rate of 34 percent. This rate is substantially more than public funding support for other types of basic skills instruction. Public funds also support classroom training at 21 percent, almost twice the support for either tutoring or computer based training. (Figure 6)

Figure 6: Utilization of Public Funds



Public funds support English as a second language and classroom instruction more than they support other subjects or training structures.

The determination of appropriate financing of company basic skills training is a difficult issue. Implementing a basic skills program appears to be dependent upon the availability of company funds to finance most of the training. Therefore, one impediment to training for firms in need of workplace literacy programs may be the inability of the company to underwrite the majority of the training expenses. Even the greater use of public funds and/or grants in newer programs has not diminished the number of companies paying for a portion of the training.

The financing issue becomes especially troublesome for small to medium-sized firms that frequently do not have formal training departments or budgets. Even the ability to take advantage of grant funds and other public dollars is dependent upon having personnel available to write grants and pursue the funding dollars.

BEST COPY AVAILABLE

A thorough examination of appropriate funding mechanisms for employee basic skills training is needed. Special emphasis should be given to the needs of small to medium-sized businesses and the needs of companies already making changes toward becoming high performance workplaces. This examination should lead to financing recommendations that make basic skills training opportunities available for all current Illinois workers.

4. WORKPLACE EDUCATIONAL PROVIDERS

Choosing a qualified workplace literacy educational provider is a key ingredient to the effectiveness of any workplace literacy program. A good provider can: assess company need for training; evaluate employee skill levels in order to design curriculum and instruction that are relevant to the workplace and job performance; deliver instruction; and measure the impact of the training — all within the context of the corporate culture. Scheduling training to meet training objectives while continuing to fulfill workplace demands can be a difficult issue that a good provider resolves in cooperation with appropriate company personnel. **Therefore, the choice of a workplace literacy educational provider is among the most important decisions a company makes when deciding to implement a program.**

Illinois companies choose from a variety of educational providers to organize and instruct their workplace literacy programs and frequently utilize more than one source for instruction. Two-thirds of the firms use their own company inhouse personnel to teach basic skills classes. Additionally, half the firms access public educational providers such as community colleges, universities or public school districts to deliver some portion of the instruction. Two other less-frequently utilized sources of instruction outside the company include: private vendors or proprietary schools; nonprofit organizations and/or business and training associations.

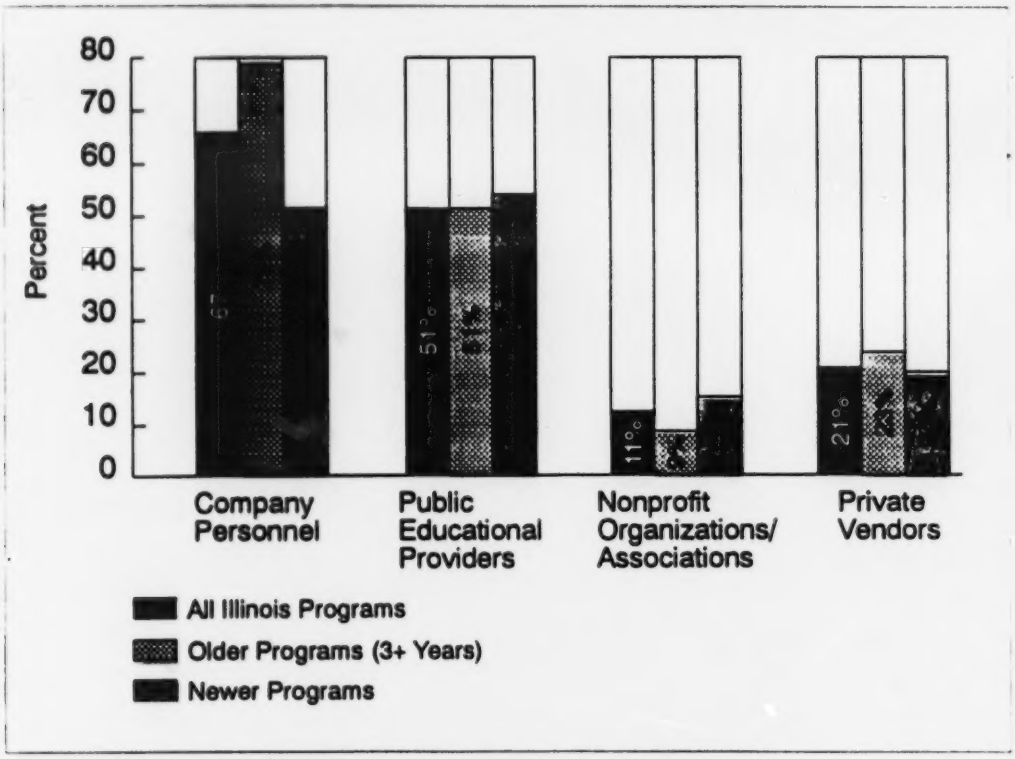
Businesses utilizing company personnel as instructors report the greatest program effectiveness in their workplace literacy programs as measured by employees' increased abilities to competently and efficiently perform required job tasks. Those companies turning to public educational providers report, overall, a lesser degree of program effectiveness.

While workplace literacy programs in Illinois are generally successful — approximately 70 percent report that half or more of the participants showed job-related improvements — there is clearly an opportunity to increase the capacity for program effectiveness

through better program design and delivery carried out by **trained** workplace educational providers.

A comparison of older programs (those operating for more than three years) and newer ones shows that partnerships with educational providers outside the firm are more prevalent in the newer programs. While still using a variety of educational providers, firms are much less reliant on inhouse company personnel to provide instruction in newer programs, around fifty percent compared to almost 80 percent in older programs. Firms continue to use public educational providers and private vendors in newer programs at around 50 percent and 20 percent respectively. Additionally, they show a slight increase in their preference for trainers from nonprofit organizations and associations. Overall, in the more recent programs, companies are relying less on company personnel and more on educational providers outside the company to deliver basic skills instruction. (Figure 7)

Figure 7: Workplace Educational Providers



In newer workplace literacy programs, Illinois firms show less reliance on company personnel as instructors than in older programs and show more partnerships with educational providers outside the company.

BEST COPY AVAILABLE

This trend toward the creation of educational partnerships underscores again the need for **trained** providers who can deliver quality workplace literacy programs — programs that are comprehensive, flexible, customized and results-oriented. Knowledge of the corporate climate and the ability to schedule training while meeting ongoing workplace demands are critical issues that outside educational providers need to understand and address.

Whether workplace literacy programs are delivered by company personnel or through partnerships with outside educational providers, the quality of the training could be enhanced by increasing the capacity of the providers to design and deliver effective programs that meet business needs. This could be accomplished through a formal training program for workplace literacy providers.

5. PRACTICES OF EFFECTIVE PROGRAMS

Illinois employers report that most workplace literacy programs result in employees' improved abilities to do their jobs efficiently and competently. Approximately 70 percent indicate that half or more of the training participants showed improved abilities, of which 30 percent noted that everyone in the training improved. By examining the program characteristics of the *most effective* workplace literacy programs (the 51percent where **more than half** the participants improved their job-related abilities), it is possible to identify several common features that they share. Other companies working toward providing high-quality workplace literacy programs may want to incorporate these features into their own program design.

One of the distinguishing features of the programs reporting that most employees improved their job performance was program longevity. Approximately half the Illinois companies in the survey have been providing basic skills training for three years or less, and half for longer than three years. Firms with older programs note that more employees show improvement than firms with newer programs. Companies need to understand that a long-term commitment to basic skills training is usually necessary if the goal is for all participants to improve their job performance. Older programs show greater program effectiveness — more employees improve their efficiency and competency on the job.

Most firms, more than 80 percent, structure their basic skills training around a classroom setting, and 42 percent include a tutoring component. Additionally, one-fifth of the Illinois firms report using computer based training as one of their workplace literacy

options, almost always in conjunction with tutoring or classroom instruction. While tutoring is more prevalent in the older programs, classroom instruction is preferred in the newer programs. However, the key feature of the most effective workplace literacy programs is that they provide more of all three training options. **Classroom instruction supplemented by tutoring and computer based training is more likely to result in successful training than using any one of these three training options exclusively.**

The method of employee intake into basic skills training and the assessment of employees' skill levels also correlate with program effectiveness. Half the companies feature voluntary participation in workplace literacy programs. Only 17 percent of the firms have mandatory participation, and one-third organize a combination of mandatory and voluntary training options. The newer programs are even more apt to have voluntary participation than the older programs. **Yet programs that mandate employee participation in training report greater program effectiveness than those with voluntary participation.**

Whether or not to mandate employee participation in workplace literacy programs is one of the most difficult issues companies face. Employers receiving funds through the Secretary of State workplace literacy grant program have expressed advantages and disadvantages to both ways of operating. Some employers fear that employees mandated to participate in basic skills training will resent being referred, and therefore will perform poorly or not attend the training. However, other employers consider basic skills training, like any other training option that is provided on company time, a necessity for adequate employee job performance. Utilization of a company planning team — with representation from all segments of the organization including labor — to decide the issue of mandatory versus voluntary training can usually resolve this issue. However, company planning teams should be mindful that survey respondents reported higher levels of improved job performance in mandatory programs.

Assessing employees' basic skills in order to determine who needs to participate in training is another issue that requires careful examination. Half the firms responding to the survey conduct employee assessments and the other half do not. Of the firms that assess, 21 percent mandate the assessment and nearly 30 percent leave assessment as a voluntary option. Newer workplace literacy programs are more likely to incorporate assessment, both voluntary and mandatory, than older programs. **Companies that mandate as-**

sessment of employees' basic skills levels report that more employees improve their job performance than do companies with no assessment or voluntary assessment.

Most companies, 60 percent, plan the duration of their workplace literacy programs around a specified number of classroom hours. Others, approximately one-fourth, allow employees to continue in training on an open-ended basis. Thirty-six percent plan the duration of their training around employees' abilities to master or demonstrate certain defined workplace competencies. Employees do not exit these programs until they can show they have mastered certain skills. Newer workplace literacy programs in Illinois show less organization around demonstrating competencies or open-ended options and more structure around scheduled classroom hours. **However, those programs that allow employees to participate until they've mastered certain skills report greater effectiveness than those that are open-ended or that instruct a specified number of class hours.**

Two other factors with a bearing on program effectiveness are the location of the training and employee remuneration for participation in training. Most workplace literacy programs, 60 percent, are provided onsite at the company. Only nine percent are offered off-site, and nearly one-third of the reporting firms provide both options — a combination of onsite and off-site instruction.

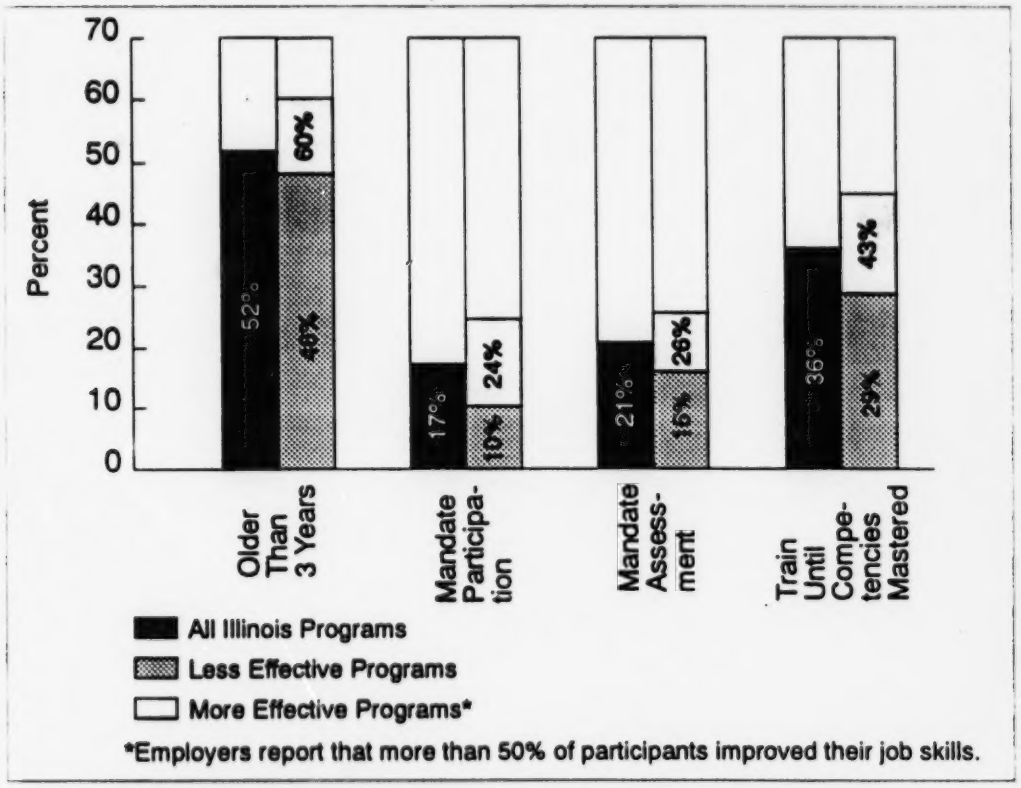
Two-thirds of the companies provide their workplace literacy programs on paid company time, that is, employees are paid to learn. Another 11 percent pay their employees to attend the training, but it is offered off regular company time. Less than one-third provide basic skills training for employees on their own time and unpaid. Shared time, a combination of paid company and unpaid personal time, is the preferred schedule for one-fifth of the firms.

In evaluating the impact of training location and employee remuneration on program effectiveness, it is possible to judge onsite, company-paid training as a moderate indicator of success. **However, more noteworthy is the response by employers that programs provided off-site on personal unpaid time show a decided lack of impact on employees' increased abilities on the job.**

Employers that are considering either organizing a workplace literacy program or improving their current program's effectiveness are encouraged to consider the experiences of the Illinois firms with basic skills training programs that responded to the survey. Their own reporting of program effectiveness, as measured by the number of employees who improved their job performance, provides a delin-

eation of features that the most effective programs share: the programs have been in place for more than three years; they integrate computer based training and tutoring with classroom instruction; and they require employee participation in training, skills assessment and the demonstration of defined competencies. (Figure 8)

Figure 8: Indicators of Program Effectiveness



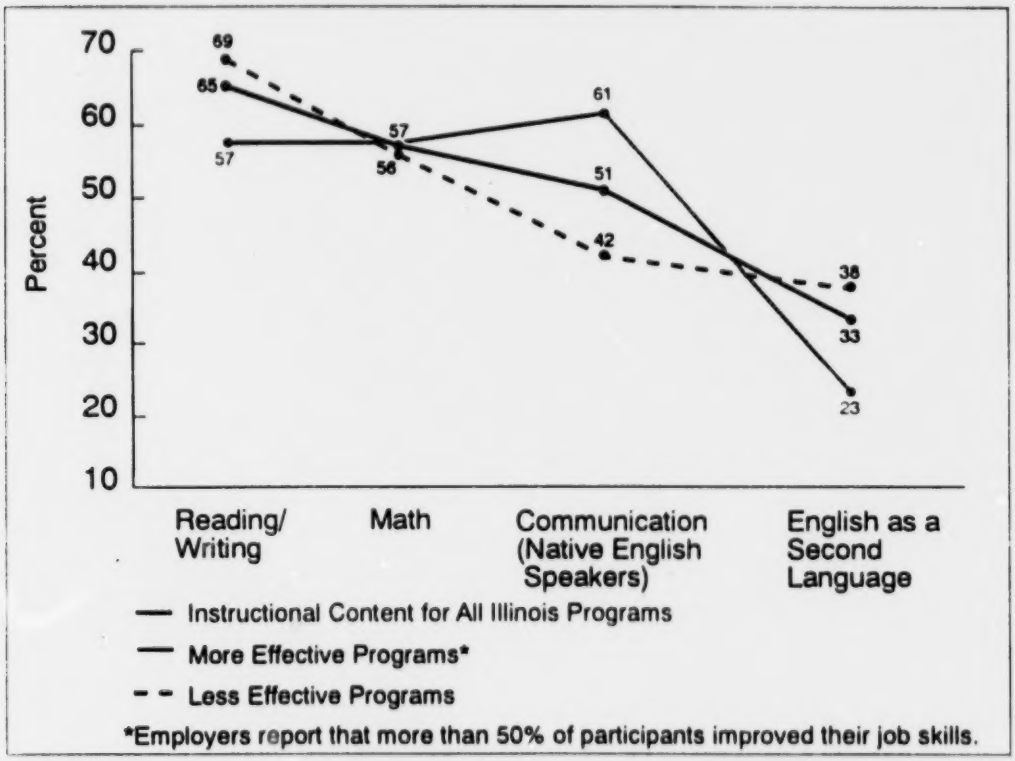
Workplace literacy programs functioning longer than three years, and programs that mandate employee participation, assessment and the demonstration of defined competencies are more likely to result in employees' improved job performance.

6. PROGRAM CONTENT

The cornerstone of 65 percent of the workplace literacy programs in Illinois is instruction in basic reading and writing, followed by math instruction in 57 percent of the programs. Additionally, half the firms responding to the survey teach communication skills for native English speakers, and one-third of the programs statewide incorporate English as a second language instruction. **Employers judge that workplace literacy programs in reading, writing, math and especially communication for native English speakers are more**

effective — more employees improve their job skills — than programs teaching English as a second language. (Figure 9)

Figure 9: Instructional Content



Employers judge communication for native English speakers as the most effective training option, and English as a second language instruction as the least.

This discrepancy in effectiveness by program content suggests there is a need to compare the programmatic differences between English as a second language instruction and the other major basic skills offerings in order to build improvement into ESL workplace literacy programs. This need is underscored by the growth in ESL programs. Newer workplace literacy programs in Illinois are far more apt to include ESL instruction than the older programs, in fact, nearly twice as likely. This increased provision of workplace ESL instruction coupled with the 42 percent of Chicagoland employers who cite the need for workplace English (p. 22) creates a particular demand for improved program design and delivery in ESL.

There are several key disparities between the organization and delivery of ESL instruction compared to reading, writing, math and communication for native English speakers. First, company per-

sonnel are more apt to teach basic skills classes in all subjects except English as a second language. ESL is usually taught by instructors from public educational institutions, that is, community colleges, universities or public school districts. Since workplace literacy programs, overall, were judged by employers to be more effective (as measured by the percentage of employees who improved their job skills) when taught by inhouse company personnel, the choice of instructors may account for some of the discrepancy in program effectiveness between ESL and other subjects taught.

Second, English as a second language is the subject most frequently offered by companies as a voluntary training option. Additionally, it is the subject least likely to be instructed on paid company time, and most often presented as an unpaid training option to be undertaken on employees' personal time. **Workplace ESL programs, then, tend to embrace training organizational features that employers report as being the least effective, thus resulting in fewer employees' improved job performance.**

Third, most workplace literacy programs instructing English as a second language have existed for three years or less, while the other major subjects show greater program longevity. Since longevity is one of the best indicators of program effectiveness, it is possible to conclude that ESL programs simply need more time. When ESL programs have existed as long as reading, writing, math and communication for native English speakers, perhaps they will show the same level of program effectiveness.

Workplace English as a second language instruction requires careful examination. If employers expect to see improvement in job skills by their non-native English speaking employees, they may need to customize the instruction so that it teaches communication skills with workplace relevance. Since employers usually contract with public educational providers to deliver ESL instruction for their employees, additional training of educational providers in designing and delivering effective workplace ESL classes also appears necessary. Finally, employers may want to review how they organize ESL instructional offerings in order to incorporate more features identified as leading to effective programming.

"Illinois private-sector employers returned 1,340 useable survey responses, a 33 percent response rate, that covered 558,500 Illinois employees."

BEST COPY AVAILABLE

APPENDICES

METHODOLOGY

Data:

The private-sector focus of this study was determined by the Promoting Literacy in the Workplace committee of the Illinois Literacy Council. By design, then, the findings reported in this study are not intended as comments on workplace literacy activities in the public sector. In addition, the sample did not include firms with fewer than 20 employees. While small firms contribute significantly to the health of the Illinois economy, the survival rate of these firms and the availability of resources for workforce development discourages these employers from assuming a long-term commitment to workforce issues, i.e., workplace literacy.

The sample for the workplace literacy survey was drawn from the Covered Employment and Wages (ES202) database at the Illinois Department of Employment Security. Employers subject to the Unemployment Insurance Act are mandated by law to report quarterly employment, wages and Unemployment Insurance (U.I.) contributions by county, ownership, and classification of primary activity. The database coverage extends to approximately 98 percent of the Illinois workforce and only excludes small labor pools such as unpaid family workers, the self-employed, and employees in religious organizations.

The survey instrument was designed and pilot-tested in the spring of 1992 with employers, academics, and practitioners. In addition, the questions were reviewed by members of the Promoting Literacy in the Workplace committee with representation from the Illinois State Chamber of Commerce, the Illinois Manufacturers' Association, the Illinois State AFL-CIO, the Management Association of Illinois, and the Chicago Council on Urban Affairs, among others. The data were collected over a three month period ending in September 1992.

Address verification was conducted for firms with more than 75 employees and, when possible, a company contact person was identified to receive the survey. The survey was sent to 4,104 private sector businesses in Illinois, based on a random probability sample drawn from the ES202 database. Through an initial and follow-up

mailing, employers returned 1,340 useable responses, a 33 percent response rate, that covered 558,500 Illinois employees.

The distribution of sample respondents across most major industry sectors approximates the universe of private sector employers with 20 or more employees, i.e., the sampling criteria. The exceptions are durable goods manufacturing and retail trade where the discrepancy between respondents and the universe approaches ten percent. (Figures 10 and 11) This bias inflates slightly the extent of training in the Illinois economy because manufacturers are more active than retailers. However, the primary focus of this study is on firms which conduct basic skills training, and within this subpopulation, the industry sector discrepancy is negligible.

Figure 10: Distribution of Firms by Industry Sector

INDUSTRY	SAMPLE RESPONDENTS	UNIVERSE
Agriculture/ Forestry/Fishing	1.0%	0.9%
Mining	0.4%	0.1%
Construction	3.0%	4.9%
Durable Manufacturing	21.3%	10.8%
Nondurable Manufacturing	11.8%	7.5%
Transportation/Communications/Utilities	6.2%	5.5%
Wholesale Trade	6.9%	10.0%
Retail Trade	11.8%	26.6%
Finance/Insurance/Real Estate	10.1%	7.8%
Services	27.4%	25.9%
Total	100.0%	100.0%

Source: Covered Employment and Wages, private-sector employers with twenty or more employees.

Analysis:

The survey instrument isolated four areas of inquiry concerning basic skills training: need for training; implementation of programs; financing; and program design including educational provider, program organization and program content. The initial set of questions centered on an employer's inclination toward basic skills training in

the context of implementation of other types of training, and the perceived need for workers to improve their basic skills. Second, the survey elicited from employers with workplace literacy programs priority lists of factors that (1) defined why employees need basic skills training, and (2) contributed to the company decision to implement a program. Third, firms with programs were asked to define all sources of financial support for their efforts.

The longest series of questions centered on workplace literacy program design, including educational providers, program organization, and training content. Reading and writing were surveyed as separate response categories, but were collapsed because employers implement these programs at the same time, for the same reasons, and with near identical results. On the other hand, oral communication and English as a second language were not combined because the data clearly described distinct programmatic needs that require unique training strategies.

An analysis of impact on job performance reflects an employer's perception of whether the training improved an employee's ability to efficiently and competently perform required job tasks. By defining *more effective programs* as those in which employers re-

Figure 11: Distribution of Employment by Industry Sector

INDUSTRY	SAMPLE RESPONDENTS	UNIVERSE
Agriculture/Forestry/Fishing	0.3%	0.7%
Mining	0.4%	0.1%
Construction	0.8%	2.8%
Durable Manufacturing	25.1%	14.5%
Nondurable Manufacturing	15.5%	10.6%
Transportation/Communications/Utilities	7.0%	7.1%
Wholesale Trade	4.5%	7.2%
Retail Trade	7.1%	18.5%
Finance/Insurance/Real Estate	9.1%	8.7%
Services	30.3%	29.8%
Total	100.0%	100.0%

Source: Covered Employment and Wages, private-sector employers with twenty or more employees.

ported that **more than 50 percent** of the employee participants improved their job skills, it was possible to compare program design features of the more effective programs with the less effective programs. This comparison revealed differences in educational providers, program organization and subject content that can be utilized to improve the quality of workplace literacy programs in Illinois.

REFERENCES

Chisman, Forrest P. *The Missing Link, Workplace Education in Small Business*, The Southport Institute for Policy Analysis, Washington, DC, 1992.

Council for Adult and Experiential Learning (CAEL). *Closing the Skills Gap: New Solutions*, Chicago, IL, 1992.

Hudson Institute for the U.S. Department of Labor. *Workforce 2000: Work and Workers for the 21st Century*, Washington, DC, 1987.

Illinois Literacy Resource Development Center. *Learning that Works: Basic Skills Programs in Illinois Corporations*, Champaign, IL, 1993.

National Center on Education and the Economy. *America's Choice: High Skills or Low Wages!*, Report of The Commission on the Skills of the American Workforce, Rochester, NY, 1990.

Piercy, Day. *Workforce Literacy: A Chicago Initiative*, Chicago Council on Urban Affairs, Chicago, IL, October, 1989.

Southport Institute for Policy Analysis. *Ahead of the Curve, Basic Skills Programs in Four Exceptional Firms*, Washington, DC, 1992.

U.S. Department of Labor. *How Workers Get Their Training: A 1991 Update*, Bureau of Labor Statistics, Bulletin 2407, Washington, DC, August 1992.

ILLINOIS LITERACY COUNCIL

George H. Ryan, Secretary of State and State Librarian, Chairman

Promoting Literacy in the Workplace Committee

Co-chairs:

Jeffrey D. Mays
Vice President, Human Resource Policy
Illinois State Chamber of Commerce

Donald A Johnson
President, Illinois State AFL-CIO

Members:

Dan Cosgrove
Education & Research Director
Illinois State AFL-CIO

George Craine, Jr.
George Craine & Associates

Mavis Dowd
Manager of Onsite Training
Management Association of Illinois

Rob Karr
Associate Director, Government Affairs
Illinois Manufacturers' Association

Suzanne Knell
Executive Director
Illinois Literacy Resource Development Center

Nancy McIlvoy
Representative
Illinois Adult & Continuing Educators Association, Inc.

Jim Nowlan
President
Taxpayers Federation of Illinois

Jean Osborn
Associate Director, Center for the Study of Reading
University of Illinois

Jack Roeser
President
Otto Engineering

Ann Seng
President
Chicago Council on Urban Affairs

Dennis Sienko
Chief Executive Officer
Prairie State 2000 Authority

Jan Staggs
Executive Director
Illinois Occupational Information Coordinating Committee

Staff:

Ann Belletire
Workplace Literacy Consultant
Secretary of State Literacy Office

SECRETARY OF STATE WORKPLACE LITERACY RESOURCES

The Secretary of State Literacy Office, under the leadership of Secretary of State George H. Ryan, is committed to assisting Illinois businesses in workforce skill development. Resources include:

- Workplace literacy grants to businesses to work in partnership with educational providers to upgrade employees' basic skills.
- A booklet, *Workplace Literacy, How to Get Started, A Guide for Illinois Businesses,* with practical advice on starting a workplace literacy program.
- A video, *On the Job: Workplace Literacy,* showcasing business/education partnerships.
- A poster, *Skilled Illinois Workers, Training for Tomorrow,* to promote employee training.
- A report, *Shaping Illinois' Workforce: Business/Education Partnerships,* detailing FY90 pilot workplace literacy grant programs.
- *GED Business and Labor Partners* program information to encourage workers to acquire the GED.
- A brochure, *Shaping Illinois' Workforce: What Your Company Can Do.*
- Assistance in locating a workplace literacy provider in your area.

The workplace literacy consultant at the Secretary of State Literacy Office, 217/785-6926, can provide assistance with any of these resources.

ACKNOWLEDGMENTS

The "Promoting Literacy in the Workplace" committee of the Illinois Literacy Council and the Secretary of State's office would like to express their appreciation to the Illinois Department of Employment Security for its ongoing assistance with all phases of the Private Sector Workplace Literacy Survey.

Loleta A. Didrickson, Director of IDES, has identified the development of strategies in support of the Illinois workforce as an agency commitment. Further, the Director has encouraged interagency cooperation as a key component of this commitment. As a result of these priorities, the Director dedicated the resources and expertise of her office to work with the Secretary of State's office and the Illinois Literacy Council committee on the design and implementation of the survey.

The role of IDES, in cooperation with the "Promoting Literacy in the Workplace" committee and the Secretary of State's office, included: development and design of the survey instrument, pilot testing of the survey instrument, drawing the survey sample, conducting address refinement, editing the surveys, creation of a data file, and a draft of data analysis.

The Secretary of State Literacy Office wishes to especially thank IDES Economic Information and Analysis Manager Henry L. Jackson, and Assistant Manager George W. Putnam for their ongoing work in support of this project.

The survey report was written by Ann Belletire, Workplace Literacy Consultant, Secretary of State Literacy Office, who also coordinated all phases of the survey project.

Secretary of State Literacy Office
431 S. Fourth St.
Springfield, Illinois 62701
(217) 785-6926

BEST COPY AVAILABLE